GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:414
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Promotion of Food Processing Industries
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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) the details of the steps taken by the Government to promote food processing industries with a view to increase the income of the farmers in the country;

(b) whether the Government is aware that a large area of food production has not been included under food processing industry;

(c) if so, the details thereof along with the details of the State-wise scheme prepared by the Government in this regard;

(d) whether the Government has signed any memorandum of understanding with foreign countries to get know-how/expertise and technologies to boost food processing in the country; and

(e) if so, the details thereof and the extent to which it will boost the food processing industries in the country and increase the income of the farmers?

Answer

(a) to (c): Government has approved a new Central Sector Scheme- KISAN SAMPADA YOJANA (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) with an outlay of Rs. 6,000 crore for the period 2016-20 coterminous with the 14th Finance Commission cycle to promote food processing in the country.
KISAN SAMPADA YOJANA is an umbrella scheme with the following components:

(a) Mega Food Parks
(b) Integrated Cold Chain and Value Addition Infrastructure
(c) Creation / Expansion of Food Processing & Preservation Capacities
(d) Infrastructure for Agro-processing Clusters
(e) Creation of Backward and Forward Linkages
(f) Food Safety and Quality Assurance Infrastructure
(g) Human Resources and Institutions

The schemes being implemented under the KISAN SAMAPADA YOJANA are applicable throughout the country and these are not state specific. The schemes are private sector driven and provide freedom to the entrepreneurs to choose the project location based on availability of raw material, techno-economic feasibility and viability of the project.

The govt. has taken several other steps to promote food processing sector in the country. A Special Fund. of Rs. 2000 Crore has been setup in NABARD to make available affordable credit to designated food parks and agro-processing units in such designated food parks. Food and agro-based processing units and cold chain infrastructure have been classified under agriculture activities for Priority Sector Lending (PSL) as per the revised RBI Guidelines issued on 23/04/2015.

As per extant policy, Foreign Direct Investment FDI upto 100%, under the automatic route is allowed in food processing industries. Further, 100% FDI is now permitted under Government approval route for trading, including through e-commerce, in respect of food products manufactured and/ or produced in India.

(d) & (e): Ministry of Food Processing Industries has entered into agreements/Memorandum of Understating (MoUs) with France and Italy for bilateral co-operation in the field of Food Processing Sector.
Salient features of these agreements/ MoUs are (i) to attract investment for infrastructure development of food processing sector, (ii) developing institutional co-operation, and (iii) participation in food fairs, conferences workshops, etc.
In order to have collaboration in technologies, teaching, research and skill development in the food processing sector, Memorandum of Understandings (MoUs) have also been entered with institutions in some countries by the two institutions under the administrative control of this Ministry namely National Institute of Food Technology Entrepreneurship and Management (NIFTEM) and Indian Institute of Food Processing Technology (IIFPT).